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TRADE AND DEVELOPMENT BOARD
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Intergovernmental Group of Experts on Ports
Geneva, 25 October 1993
Agenda items 3, 4

Conclusions of the Intergovernmental Group of Experts on Ports */

"Ports-- Preparing for the Millennium"

Introduction

1. Over the last years, international transport, including sea trade and ports, has become increasingly important in the world economy. One single world market has emerged where production, transport, and distribution and consumption of goods are no longer concentrated in one limited geographical area, but are instead spread over the whole planet. These dramatic changes have been made possible through the development of sophisticated and integrated transport and distribution systems and networks, often controlled by mega carriers and shippers, with the majority of goods moving by sea. These developments took and are still taking place in a competitive environment, resulting in great trade volatility generating risks and opportunities for ports. Risks are particularly high for countries and ports which have not anticipated these changes and are not prepared to take the strategic decisions, in particular, to adjust their management organization, facilities and services to trade requirements. Opportunities come from the fact that, in the process of integration of the transport and distribution functions, a modern port has many assets and can become one of the few nodal points of strategic importance for international trade.

A. General recommendations

2. Ports must recognize that they play a key role in the transportation logistics chain and assure the effectiveness of their contribution by defining themselves broadly. Focus on functions within the boundary of the port is insufficient.

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*/ As adopted at the 4th plenary meeting, on Friday, 29 October 1993.

3. The Group recommends reflection by Governments on the importance of the role of their ports and their great potential for fostering trade and development. In order to translate their support and to adopt appreciative port policies, the Group recommends the use of long-term (or master) planning and strategic business planning methodologies to assist Governments and ports to translate objectives into policy, strategy and implementation steps, including performance goals and evaluation mechanisms. These must assure the inclusion of management, human resources, legal, financial and operational tactics, including managerial autonomy where appropriate.

4. The Group recommends that the UNCTAD secretariat continue its work in cooperation with its sister agencies within the United Nations and other available expertise in the many areas of port activity, including technical assistance, studies, training and communication, and that the findings and results of its activities be shared through its usual methods and meetings of the Intergovernmental Group of Experts on a more frequent and regular basis. The Intergovernmental Group of Experts invites the Standing Committee to examine the possibility of convening such meetings in the future. Further, the Group proposes that port matters be included more often as specific items on the agenda(s) of national, regional, intergovernmental and international meetings concerning trade, development and environmental issues and not be entertained solely as sub-items of other topics.

5. The Intergovernmental Group of Experts noted with great interest that ports have selected many forms of organization and management structures. It also noted that privatization/commercialization is of great value as an organization/management approach, but it cannot be seen as an end objective, in and of itself. The Group recognizes that privatization/commercialization/federalization could be of value in certain areas, judiciously chosen, relevant and appropriate to the conditions prevailing in the country. Because this is an emerging approach and because other approaches may be equally useful depending on the local government and social conditions, the Group recommends further study and analysis of the strengths/weaknesses of each of these concepts and an assessment of the economic implications of splitting functions between the public and private sectors.

6. Regional cooperation among ports has been achieved in some areas and proven to be useful. The Group recommends that UNCTAD identify and document where, and in what form, these cooperative efforts exist, the areas of activity covered and the value identified by the participants.

7. The Group supports the conclusions and recommendations of the informal meeting of legal experts on port matters which are embodied in UNCTAD/SHIP/639/Annex I, in particular the reference to the creation of an international body of port jurists.

8. Taking into account the importance of environment and sustainable development, the Group of Experts recommends as follows:

(a) There should not be any competition between ports based on the lack of protection of the environment. For this purpose, pollution norms, environmental pricing systems, etc., should be assessed in accordance with the problems to be solved and the cost actually to be covered, taking into account the specific and technical/financial capacities of each port. Such an item should be on the agenda of the regional associations of ports. On occasion, government support may be indispensable in achieving this kind of assesment;

(b) The production of guidelines that clarify the responsibilities of the port authority and other entities, both governmental and non-governmental, in relation to the protection of the environment;

(c) The examination and use of incentives and use of innovative funding sources be considered by international institutions or national Governments where and when a concrete strategy and plan with reasonable outcome has been developed;

(d) To effectuate sustainable development efforts, most specifically port environmental responsibilities, a focal point should be established in all ports for environmental matters in order to collect and disseminate information (accidents, data, publications, laws, conference, etc). Such a focal point should contribute to the formulation of the port environmental policy in such a way that international instruments or recommendations are taken into account, as well as national interests and regulations;

(e) In addition, the focal point should assist in implementation of the adopted policy. A coordination mechanism such as an Environmental Committee should be created to coordinate action, inform all interested parties and give them the opportunity to present their views and obtain their support. The mechanism should seek advice of representatives of relevant national authorities, the port operator, port users, and people living in the vicinity of the port;

(f) Ports and cities are naturally interdependent. The critical nature of their linkages needs to be recognized and strengthened. Among the many concerns for the future discussed by the Intergovernmental Group of Experts was the need to ensure that it is possible to balance the need to sustain ports and their links to cities while sustaining and protecting the environment for future generation. Maritime activities do not and cannot take place in pristine estuaries. That must be recognized. However, the Intergovernmental Group of Experts does not believe that ports are currently equipped to achieve the desired balance.

B. Specific recommendations

1. Port policy

9. The Group recommends that port policy reflect the fact that ports are important but are only one link in the entire transport chain (railways, roads, waterways) and the other integrated functionaries like customs, police and local authorities comprise the others.

10. The Group recommends that this policy be implemented by optimum utilisation of labour, more efficient cargo handling, intensive use of EDI, streamlined procedures and efficient use of equipment.

The IGE recommends that the examination and use of incentives and use of innovative funding sources be considered by international institutions or national Governments where and when a concrete strategy and plan with reasonable outcome has been developed.

2. Port organization and management

11. The Group recognizes the need to modernize the present organization of the port system. This is a process which needs to take into account the social and economic realities and particularities of the country under consideration. The Group feels that the method for examining and carrying out the diagnosis of a port system proposed in document TD/B/C.4/AC.7/13 appears to be the best means to ensure proper organization and control of a port and recommends its use as one key tool to be employed. The Group recognizes also that the modernization process must be supported by an appropriate legal framework, which will take into account the most adequate division of responsibilities between central, regional and local levels, the role to be played by national and foreign private entities and the role of port labour as ports become more capital/technology-oriented.

12. Ports have to make every effort to be efficient, especially in the cost and quality of service they offer to customers to ensure the port is a successful transport and distribution centre.

13. The Group reached the consensus that in today's commercial environment, port management should be market-oriented to better satisfy customers while keeping in mind that port infrastrucutre is also of national strategic importance. This entails ensuring that marketing functions become one of the priorities in the organization and management of the port and that all actors of the port community should be united to promote the port.

14. The Group recommends that a port policy, with clear objectives and development strategies focusing on the institutional changes needed to cope with changes in trade and transport, be defined. The Intergovernmental Group of Experts recommends that the UNCTAD secretariat explore the possiblity of the International Association of Ports and Cities preparing a study on the issue of sustainability and the linkages between cities and ports, to be published within existing resources by UNCTAD.

C. Recommendations concerning UNCTAD secretariat activities

15. The Group, having reviewed the UNCTAD publications in the ports field, has found them highly satisfactory. They are generating a high level of interest in all countries, particularly in developing ones which have not always the capacity to carry out similar in-depth investigation. However, there is no doubt that information on the type of work done by the United Nations system in the field of port organization and management is not disseminated widely enough . The UNCTAD Ports Newsletter is a very useful initiative which is contributing to fill this gap. However, its distribution should be amended to include, in addition to the general manager of one or two ports in each country, other key stakeholders. Further, subscriptions should be encouraged to assure a reliable distribution methodology within UNCTAD.

Issues to be addressed

16. Account being taken of the fact that four studies have already been envisaged, as part of the UNCTAD work programme in 1994 and 1995, [1] the Group recommends the following topics as priorities for further studies, if enough resources are available:

1. Survey of national port systems;
2. Analysis of the relationship between the city and the port;
3. Case studies on human resource development in ports.

17. The Group feels that cooperation between ports at various levels in the field of sharing information, exchanging experiences, training activities and marketing expertise should be strongly encouraged by UNCTAD and Governments.

18. Training is one of the most important domains where assistance by UNCTAD could be provided. The Group appreciates the efforts made and positive results achieved so far and recommends that the necessary resources should be assured and the training programmes should be maintained and reinforced.

19. The Group has taken note, with appreciation, of the fact that more than 50 per cent of the resources available to UNCTAD in the ports field are allocated to technical cooperation and training activities. The Group reiterates its support for the present clear-cut delineation of activities of UNCTAD's various training programmes in the ports field in order to avoid duplication and overlapping. The UNCTAD secretariat's initiative to launch a port diploma course for middle managers and new recruits is welcome and should be further pursued in cooperation with the American Association of Port Authorities (AAPA) and other interested organizations. This should be complemented by the development of new policy seminars and the updating of existing ones to take into account the new developments taking place in trade

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[1] These are:1994: "Strategic port pricing" and "Comparative analysis of privatization, commercialization and deregulation in the port field"; 1995: "Potentialities for regional cooperation in the ports field" and "Financial aspects of port management".

and transport. The Group also recommends that the TRAINMAR network be extended and strengthened for the benefit of middle and junior port managers, the strengthening of port training initiatives and the fostering of cooperation amongst training institutions.

20. The Group was pleased to have a presentation on the UNDP/UNCTAD/WFP technical cooperation programme to rehabilitate the ports of Somalia. It strongly recommends that donor countries and ports in a position to do so join in their endeavour and contribute to the full rehabilitation of the Somalia port system. The Intergovernmental Group of Experts further recommends that UNCTAD should act as an information exchange point for ports seeking information on technical cooperation cases like those of Somalia and Liberia.

D. Miscellaneous items

21. The Group is of the view that a biennial meeting is advisable, preceded by a high-level seminar, and the Standing Committee is invited to consider this possibility.

22. The Group recommends that a list should be drawn up for reference of Governments and ports, on request, indicating ports, private companies and individuals who are able and willing to offer port management expertise.